

ORIGINAL OPEN MEETING AGENDA ITEM



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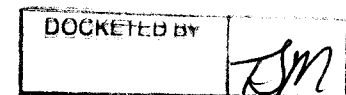
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ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

SEP 07 2012



September 6<sup>th</sup>, 2012

Gary Pierce, Chairman  
Commissioner Bob Stump  
Commissioner Brenda Burns  
Commissioner Paul Newman  
Commissioner Sandra D. Kennedy  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Re: ***Tucson Electric Power Company's Application for Approval of its 2011-2012 Energy Efficiency Implementation Plan, E-01933A-11-0055***

Dear Chairman Pierce and Commissioners,

SolarCity is a clean energy services provider that has been operating in Arizona since 2009. We offer both solar installation and energy efficiency services to homeowners throughout the state. Through our services, we make it easy for customers to switch to cleaner energy by taking a comprehensive look at our customers' energy usage and identifying opportunities for improvement.

SolarCity would like to encourage the Commission to support Judge Rodda's recommended opinion and order and address Tucson Electric Power Company's ("TEP" or "the Company") Demand Side Management Plan at the September Open Meeting. The alternative, which would be to approve the plan through TEP's rate case, could potentially take over a year and continue to negatively impact the energy efficiency industry in southern Arizona. Prolonging the decision any longer will also fuel great dissatisfaction among customers interested in pursuing energy efficiency measures for their homes and businesses and lead to significant missed opportunities for customers wanting to reduce their energy bills and lower their overall energy costs.

As you are aware, TEP's current Demand Side Management Surcharge (DSMS) is insufficient to recover the costs of the Company's energy efficiency programs because it was last reset in June of 2010, before new programs and new program budgets were approved by the Commission. Because the DSMS was never reset to reflect these Commission-approved changes, TEP has found itself in a position where it can no longer pay for existing energy efficiency programs and services for TEP customers. Consequently, existing programs have been scaled back or, in some cases, entirely closed-down.

Since TEP's programs have been shut down or scaled back, the Company has had to turn away a number of TEP ratepayers interested in pursuing energy efficiency measures. The local industry has been negatively impacted as well due to decreased levels of business and increased uncertainty.

Because TEP will not be able to reinstate its energy efficiency programs until the Commission takes action on this matter, we encourage the Commission to implement Judge Rodda's Recommended Order and Opinion during the September Open Meeting. This plan has already undergone nearly two years of careful consideration and has the strong support of the Tucson energy efficiency community. To include this issue in the Company's rate case would only result in significant and incredibly detrimental delays for TEP customers and the contractors that serve them.

If you have any specific questions on this issue, please do not hesitate to contact me. Also, if you are interested in participating in a home energy efficiency audit for one of SolarCity's customers then please let me know.

Yours Sincerely,

Meghan Nutting  
Director of Government Affairs  
SolarCity